



GREEN BOND FRAMEWORK

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RE ROYALTIES

Investing in a cleaner, *greener* future.

RE Royalties is an innovative finance company
specializing in renewable energy.



CLIMATE PROOF YOUR PORTFOLIO

RE Royalties Ltd. is a specialty finance company that creates stable long-term cash flow streams by utilizing a royalty financing model to provide loans to, and acquire revenue-based royalties from, renewable and clean energy projects and companies globally. Our mission is to provide innovative financing for climate change solutions.

Our business model focuses on providing innovative financing solutions to small-to-medium sized privately and publicly held renewable energy companies (“SMRE”), a market segment that is currently under-served by the traditional debt and equity markets. While the market for renewables is very large (over \$2.2 trillion invested in the last decade) and continues to grow exponentially, the SMRE market lacks access to suitable financing options.

We make it easier for our clients, who are emerging sustainability leaders, to grow their businesses by providing innovative, flexible and tailored financing solutions. This allows our clients to maintain control and ownership over their projects and businesses. We build long-term relationships with our clients and we work with them with the goal of building value for their stakeholders and strong returns for our investors.

OUR GREEN PRODUCTS

Our financing products consist of a combination of short-term secured debt and/or long-term gross revenue royalties. The Company's business objective is to acquire a portfolio of stable, long-term and diversified cash flow streams from renewable energy generation facilities and to provide our investors with a strong risk-adjusted return, stable distribution and growth. We currently own a portfolio of 86 royalties from solar, wind and run-of-river projects in Canada, the United States and the European Union.

RE Royalties' Green Bonds invest in growing the clean energy sector while offering investors a fixed 6%¹ annual return. The minimum investment is \$5,000 and our Green Bonds are eligible for registered accounts such as RRSP, TFSA, RRIF and RESP².

¹ Applied to Series 1 and 2. Series 3 carried a rate of 9%

² Applied to Series 1 and 3.

GREEN BOND FRAMEWORK



The United Nations has established 17 Sustainable Development Goals (SDGs) which serve as the blueprint to achieve a better and more sustainable future for all. Of these SDGs, our Green Bonds will be used to address the following:



GOAL 7: AFFORDABLE AND CLEAN ENERGY

7.2, 7.3, 7.B



GOAL 9: INDUSTRIES, INNOVATION AND INFRASTRUCTURE

9.3, 9.4, 9.A



GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

11.2, 11.6



GOAL 13: CLIMATE ACTION

13.1, 13.A

Climate change is one of the most significant challenges of our time, and we recognize that innovation is required from all sectors, including the financial industry, to bring solutions to address this challenge.

We play an important role in the global sustainability movement, and we are working to accelerate the transition to a more sustainable future, while at the same time creating prosperity for our investors.



Our inaugural Green Bonds will be used to finance and/or refinance investments made in renewable energy generation, energy efficiency management and sustainable infrastructure.

Our Green Bonds Framework will comply with the ICMA Green Bond Principles 2018, which contains the following four components:

- (1) Use of Proceeds,
- (2) Process for Project Evaluation and Selection,
- (3) Management of Proceeds and
- (4) Reporting.

(1) USE OF PROCEEDS

The proceeds raised from RE Royalties' Green Bond program will be used exclusively to finance or refinance, in whole or in part, new or existing "Eligible Investments" that will qualify into the categories outlined below.



<p>RENEWABLE ENERGY</p> <p>SDG 7.2, 7.B SDG 9.3, 9.A SDG 11.6 SDG 13.1</p> 	<p>Investments related to the generation and supply of energy from renewable and low carbon sources such as:</p> <ul style="list-style-type: none"> • Solar Energy (Photovoltaic, Concentrated) • Wind Energy (Onshore, Offshore) • Hydro-electric (Run of River, Pumped Storage) • Geothermal, Bioenergy (Renewable Fuels), Waste to Energy
<p>ENERGY EFFICIENCY AND MANAGEMENT</p> <p>SDG 7.3, 7.B SDG 9.3, 9.4 SDG 13.1</p> 	<p>Investments related to activities that contribute to the reduction of energy consumption or help manage and store energy such as:</p> <ul style="list-style-type: none"> • Commercial and industrial efficiency solutions • Energy storage systems (Batteries)
<p>CLEAN INFRASTRUCTURE AND TRANSPORTATION</p> <p>SDG 11.2, 11.6 SDG 13.1</p>  	<p>Investments related to low carbon transportation or infrastructure required to support low-carbon transportation such as:</p> <ul style="list-style-type: none"> • Electric transportation (Buses) • EV Charging <p>Investments related to community distributed energy systems and/or smart grids.</p>



(2) PROCESS FOR PROJECT EVALUATION AND SELECTION

The Company's executive management team ("Management") will be responsible for evaluating and determining if an investment is an Eligible Investment under the Company's Green Bond Framework. Management will also periodically review and verify the suitability of such investments with the Company's Board of Directors Sustainability Committee.

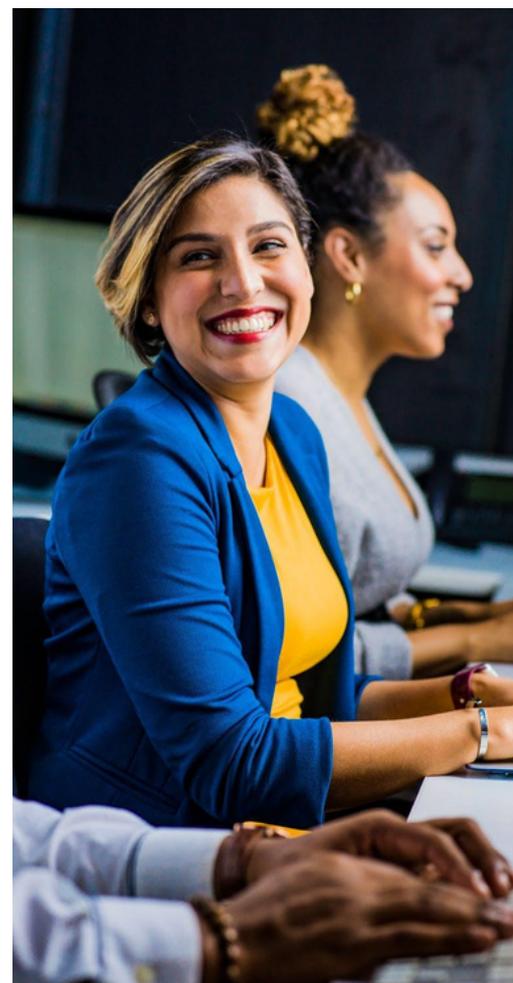
Eligible Investments will be evaluated based on several criteria such as: financial, operational, technical, market, legal, environmental impact and risks. Management will also review and approve of any reporting to the Green Bond Investors and post issuance verification reports.



(3) MANAGEMENT OF PROCEEDS

The proceeds received from the Green Bonds will be deposited into the Company's general account and an amount equal to the net proceeds will be earmarked for allocation to Eligible Investments. The Company will establish a Green Bond Register to record on an ongoing basis the allocation of the net proceeds to Eligible Investments.

The Company's Chief Financial Officer will be responsible for the monitoring of the allocation of the proceeds to Eligible Investments.





(4) IMPACT REPORTING

4.1 ALLOCATION REPORTING

A year following the Green Bond's issuance date, and every year thereafter until the maturity of the Green Bond, the Company will update investors on how the bond proceeds are allocated (including amounts allocated to Eligible Investments), and share information on loans financed by the Green Bond on its corporate website.

4.2 IMPACT REPORTING

The Company's Green Bond report will include relevant qualitative and quantitative impact metrics. Examples of impact metrics that may be included are:



RENEWABLE ENERGY

Potential Performance Measures:

- Total Installed Capacity (MW)
- Renewable Energy Production (MWh)
- Greenhouse gas emissions reduced/avoided (tCO₂e)

ENERGY EFFICIENCY AND MANAGEMENT

Potential Performance Measures:

- Expected Energy savings per year (MWh)
- Greenhouse gas emissions reduced/avoided (tCO₂e)

CLEAN INFRASTRUCTURE AND TRANSPORTATION

Potential Performance Measures:

- Expected Energy savings per year (MWh)
- Greenhouse gas emissions reduced/avoided (tCO₂e)
- Number of internal combustion engine cars removed

4.3 EXTERNAL REVIEW

The Company will appoint an external auditor to verify the tracking of the bonds proceeds and conformance with Green Bond Framework.

